

Risk Management Strategy 2025/26

RISK MANAGEMENT STRATEGY 2025/26

Introduction and Purpose

- 1.1 The Risk Management Strategy sets out how the council will effectively manage challenges and risks to delivering the priorities of the Herefordshire Council Plan 2024-28. The strategy aims to provide staff, elected members and partners with guidance to ensure there is an effective, robust and consistent framework for proportionate management of risk across the council.
- 1.2 It sets out the approach and principles of risk management, outlining the council's risk appetite, risk management objectives and confirming the roles and responsibilities across the council.
- 1.3 Risk management forms an integral part of the council's governance arrangements and decision-making processes and is fundamental to the successful delivery of strategic objectives. Effective risk management enables the council to make informed decisions in respect of challenges and risks within the boundaries of risk appetite, available resources and legislative and regulatory requirements and strengthens the council's ability to be agile to respond to challenges and opportunities.
- 1.4 This strategy has been prepared in accordance with the following guidance and regulatory frameworks:
 - Accounts and Audit Regulations 2015
 - The Orange Book (Management of Risk – Principles and Concepts) 2020 and Good Practice Guide: Risk Reporting
 - CIPFA/SoLACE Delivering Good Governance in Local Government Framework 2016
 - ISO 31000: 2018 Risk Management - Guidelines





Risk and Risk Management

Risk Definitions

- 2.1 Risk can be defined as the effect of uncertainty on objectives. For the council, risks represent threats, incidents or adverse events that prevent the achievement of the objectives of the Council Plan. Risk is typically expressed in terms of causes, potential events and their consequences.
- 2.2 The council accepts that risks are present across all services, operations, activities and in decision-making. Risks must be identified and evaluated in the context of the council's appetite for risk and risk management framework.
- 2.3 Risk management is the term used to describe the activities and methods designed and operated to manage risk and exercise internal control within the council. Risk management involves the identification, analysis and control of threats or events that adversely affect the achievement of the council's strategic and operational objectives. It also enables action to be taken to innovate and improve service provision.
- 2.4 The council's risk management framework outlines processes and activities by which risks are identified, evaluated, managed, monitored and reported.

Risk Categories

- 2.2 The categories of risk identified as part of the risk management framework are outlined in the table below. The Risk Appetite Statement is included at Appendix A and the level of risk appetite determined for each category of risk is set out at Appendix B.

Risk category	Risk definition
<p>Strategic Delivery (Council Plan Priorities)</p> <p>PEOPLE  We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.</p> <p>PLACE  We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place and do everything we can to improve the health of our rivers.</p> <p>GROWTH  We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development and provide the right infrastructure.</p> <p>TRANSFORMATION  We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money.</p>	<p>Risks that will prevent the timely delivery of priorities and objectives of the Council Plan 2024-2028 and supporting annual Delivery Plan.</p> <p>People: Risks arising from a failure to effectively support residents to live healthy lives in safe communities including failure to meet statutory responsibilities such as education services, children's safeguarding and social care, adult social care and corporate parenting responsibilities.</p> <p>Place: Risks arising from: failure to protect the environment and mitigate extreme weather conditions arising as a result of climate change, failure to deliver capital and major projects to expand infrastructure and develop cultural offering across the county.</p> <p>Growth: Risks arising from failure to support and enable business growth and investment within the county.</p> <p>Transformation: Risks arising from failure to deliver the council's transformation strategy and supporting plans to deliver required improvements and sustainable change across the organisation.</p>
<p>Legal & Compliance</p>	<p>Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).</p>
<p>Financial</p>	<p>Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.</p>
<p>Governance</p>	<p>Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.</p>
<p>Data & Technology</p>	<p>Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.</p>
<p>Security</p>	<p>Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.</p>
<p>Reputational</p>	<p>Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations. The risk of detriment to Herefordshire Council's reputation locally and nationally.</p>

Roles and Responsibilities for Risk Management

- 3.1 A strong risk management culture is demonstrated through the way in which staff and elected members understand, and comply with, the council's risk management strategy and processes and are fully aware of their respective roles and responsibilities.
- 3.2 The THRIVE core values are the guiding principles and beliefs that shape the council's culture and behaviours. These values promote a culture of trust and collaboration and provide a framework to align actions to the council's vision and priorities.

- 3.3 The core values of Trust, Honesty, Responsibility and Value support the effective management of risk across the council: individuals are trusted and empowered to explore opportunities within a clear risk management framework, to challenge consideration of risk in decision-making and service delivery, to take responsibility for designing controls to manage risks and to uphold high standards, ethics and integrity by raising and reporting risks at the appropriate level.
- 3.4 The roles and responsibilities for risk management within the council for Elected Members and Officers are outlined in the Table below.

ELECTED MEMBERS	
Role	Responsibilities
Leader of the Council and Cabinet	<p>The Leader of the Council and Cabinet are responsible and accountable for ensuring the council has effective risk management arrangements in place to support delivery of strategic priorities. Cabinet Members have specific responsibility for the oversight of risk arrangements within their individual portfolios.</p> <p>Cabinet approves the Risk Management Strategy and provides appropriate challenge to ensure that risk management implications are considered as part of strategic decision-making. It is accountable for ensuring that a corporate risk register is established and maintained, including details of actions to mitigate identified risks, and that this is regularly monitored.</p> <p>The Annual Governance Statement, which confirms the effectiveness of governance arrangements, including risk management arrangements, is certified by the Chief Executive and Leader of the Council.</p>
Audit & Governance Committee	<p>The Audit & Governance Committee is responsible for reviewing the adequacy of the council's governance arrangements, including the risk management framework and internal controls.</p> <p>The Annual Governance Statement is presented to the Audit & Governance Committee as part of the statutory accounts and external audit process and the Committee is required to determine whether the Statement properly reflects the risk environment the council is operating in and that actions identified to strengthen governance arrangements are appropriate.</p> <p>It is not a function of the Committee to examine specific risks however its functions include monitoring of the development and operation of risk management processes and receiving assurance from internal and external sources of the effectiveness of arrangements.</p>
All Elected Members	<p>All elected members have the ability to speak and vote on the council's most significant decisions through their committee membership and full Council and to engage in decision making through membership of working groups, attendance at political group consultations and member briefings, asking member questions or calling in a decision.</p> <p>Through this activity, all elected members have a responsibility to understand the council's risk management arrangements, the strategic risks to delivery of the priorities of the Council Plan and the appetite for each category of risk. Elected members are responsible for properly considering the risk implications during decision-making and policy approval, particularly where the decision may have resource implications, an impact on the authority's strategic priorities or propose a service change.</p>

OFFICERS	
Role	Responsibilities
Corporate Leadership Team	<p>Members of the Corporate Leadership Team (CLT) are collectively responsible for ensuring that all strategic delivery risks are effectively managed, monitored and reported. CLT is responsible for ensuring for integrating risk to enable informed consequence-based decision-making.</p> <p>CLT has collective ownership of the Corporate Risk Register and Risk Appetite Statement and ensures that due consideration is given to identifying and managing the risks associated with the delivery of the council's strategic priorities and with major business change proposals. This may include reviewing the allocation of resources and establishing clear lines of accountability across the organisation and with external partners.</p> <p>CLT members create an environment and risk culture which embraces openness and clear communication, supports transparency, welcomes constructive challenge and promotes collaboration, consultation and co-operation.</p> <p>Individual Corporate Directors are responsible for the management of Directorate risks and providing information to Cabinet Members to enable oversight of significant risks within their portfolio.</p>
Director of Finance (S151 Officer)	The Director of Finance (S151 Officer) has specific responsibility for the oversight and delivery of financial management arrangements; achieved through a robust financial control framework, financial procedure rules, a scheme of delegation and an independent and objective Internal Audit function.
Monitoring Officer	The council's Monitoring Officer is the Director of Governance & Legal Services. This role has specific responsibility for risks which relate to lawfulness and fairness in the operation of the council's decision-making process.
Director of Children's Services	The Director of Children's Services (DCS) has specific responsibility for risks which relate to securing the provision of services which address the needs of all children and young people, and their families and carers, and those risks in respect of the performance of the council's functions relating to the education and social care of children and young people.
Director of Adult Social Services	The Director of Adult Social Services (DASS) is the Corporate Director (Community Wellbeing). This role has specific responsibility for risks which relate to the council's obligations under the Care Act and other relevant social care legislation.
Internal Audit	Internal Audit provides an independent and objective opinion on the council's governance, risk management and control environment; evaluating effectiveness through a risk-based approach. The annual Internal Audit Plan comprises: operational audit reviews, cross-cutting governance audits, annual review of key financial system controls, IT audits, grant assurance work and any other special or unplanned review; aligned to the council's corporate risks.
Risk & Insurance Manager	<p>The Risk & Insurance Manager is responsible for ensuring a consistent and proportionate approach to risk management across the council and for the provision of advisory support and challenge to risk owners.</p> <p>The Risk & Insurance Manager is responsible for the annual review of the Risk Management Strategy, analysing and reporting of corporate risks to CLT and the Audit & Governance Committee and working with colleagues across the council to help identify, assess and manage strategic risks. This role provides risk management training and development, and facilitates risks workshops.</p>

Risk Owners (Heads of Service and Service Managers)	<p>Risk owners are responsible for ensuring that arrangements are in place within their directorates and services to identify and manage risks in accordance with the council's risk management framework.</p> <p>They are responsible for assessing the impact of controls, developing mitigations actions as required to manage risks in accordance with the council's risk appetite and maintain and reviewing service and directorate level risk registers.</p> <p>Senior Managers are responsible for determining the risk management training needs of their staff and ensuring that proportionate risk assessments are included in decision reports.</p>
All Council Staff	<p>All staff have a duty to consider the risks to the achievement of their day-to-day objectives and the council's strategic priorities. It is the responsibility of all staff to be aware of and to work to mitigate and control risks.</p> <p>Staff should also ensure that risks which they cannot manage, or those that have a wider impact, are escalated in accordance with the risk management framework.</p>

Risk Management Framework and Processes

- 4.1 The risk management framework is a series of co-ordinated activities and processes, carried out in sequence, by which risks are identified, evaluated, treated, reported and monitored on a regular basis. The risk management process helps us to:
- understand the nature of the risks faced and 'what could go wrong';
 - be aware of the extent of these risks;
 - identify the level of risk that the council is willing to accept; its risk appetite;
 - recognise the council's ability to manage and treat each risk, so appropriate decisions and action can be taken; and
 - take action, where possible, to avoid something going wrong and to minimise the impact.

- 4.2 The key elements of the council's risk management processes are summarised below:

Step 1: Establish Objectives

The starting point for the management of risks is the Herefordshire Council Plan 2024-28 and the strategies and plans that will support delivery of the key priorities and objectives (including the annual Delivery Plan).

Step 2: Identify the risks

Consideration should be given to the threats and opportunities to delivery of these objectives and priorities. The purpose of risk identification is to generate a comprehensive, up to date and easy to understand list of risks relevant to the council, directorate, service or programme/project.

There are a variety of ways in which risks can be identified including:

- Risk assessment exercises or workshops undertaken within Directorates, Services, projects and partnerships;
- Research and consideration of the risks or incidents that have affected others in delivering similar objectives;
- Review of local, national, and international policies, legislation, and events that may affect the objectives;
- Measurement of current performance and identification of weaknesses;
- Reviewing reports about council services, such as those issued by internal and external auditors and inspection results; and
- Consideration of risk categories and types.

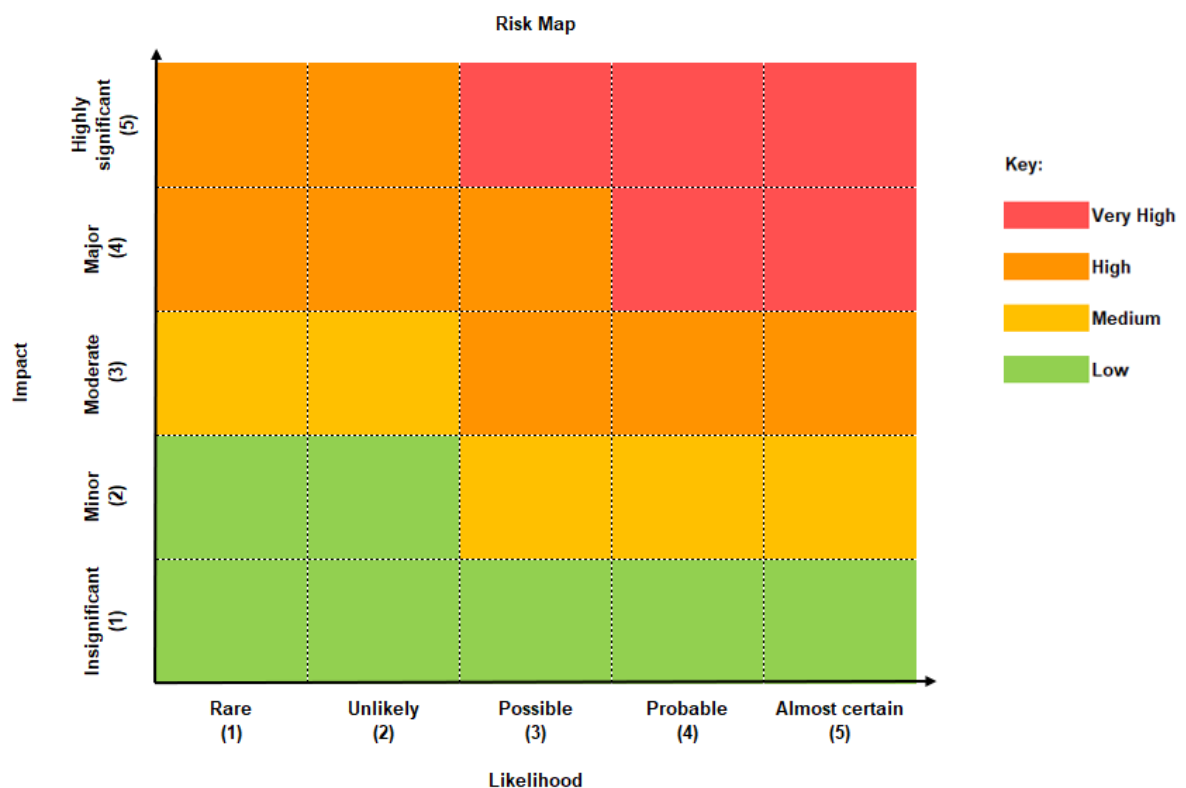
Risks need to be described in clear terms that can easily be understood and must specify the tangible threat or opportunity. Risks should generally be described in a couple of sentences, explaining the cause, risk and effect and the description should help determine how the risk will be managed and treated

Step 3: Analyse and evaluate the risk

Once identified, the risk should be analysed, evaluated and prioritised for treatment. Risks are rated through a combined assessment of:

- Likelihood: How likely the risk is to occur; and
- Impact: The potential impact / consequences, taking into account the controls already in place to manage/ mitigate the risk.

A '5x5' scoring mechanism is used to carry out the assessment of likelihood and impact to ensure that the risks are rated in a consistent way. These scores allow the risks to be plotted onto a risk chart, a visual tool used to illustrate and compare risks. The greater the assessed risk, the more effort will be required to manage it. The risks in the 'red zone', determined to have a very high likelihood and severe impact represent the risks which must be prioritised for treatment.



Many of the risks uncovered during the risk identification and analysis stages will already have controls in place to mitigate them and these, together with their effectiveness, should be taken into account when determining the scores. The assessment of controls should take place as part of the regular risk review.

The council has four risk rating options with corresponding risk management action:

Risk rating	Action
Very High	Immediate and significant management action and control required. Continued proactive monitoring of risk.
High	See cost effective management actions and controls. Continued proactive monitoring of risk.
Medium	Seek cost effective control improvements. Monitor and review risk regularly.
Low	Seek improvements to controls if cost effective to do so. Monitor and review risk regularly.

Risk ratings should be checked regularly as part of the routine risk review process and amended to take into account changes in the probability and impact scores, e.g. the implementation of additional controls or the completion of actions to manage the risk should result in a reduction in the risk rating.

Step 4: Manage (mitigate/treat) risks

Once a risk has been identified and its rating and priority determined, controls and actions to manage or treat the risk should be developed. Controls are activities which are carried out regularly to review the risk or something associated with it. An action is a one-off activity to bring in a control or change a specific matter associated with the risk.

Options for mitigating a risk should either minimise the likelihood of a risk event occurring, reduce the frequency with which it might occur or limit the severity of the consequences in the event that it does occur. Activity to determine the appropriate options to manage risks includes:

- identifying the existing controls in place;
- identifying what further controls and/or actions are required. This will either involve improving existing controls or developing and implementing new ones; and
- accepting that it is not possible to eliminate all risk and there are not reasonable mitigations available.

Whilst there are a variety of options to manage risk, the council recognises that it is not possible to eliminate all risks: in some cases, no one control can completely remove a risk and no amount of treatment can adequately control the risk. Progress in implementing actions to treat the risk should be regularly reviewed and reported.

There may be some element of 'residual risk' (the level of risk that remains after all appropriate treatment and controls have been implemented) and this will be recorded and monitored as part of risk management arrangements.

Responsibility and accountability for managing each risk needs to be assigned:

Risk owner: The person who is responsible and accountable for the risk. This should be someone with knowledge of the risk area and sufficient seniority to enable them to allocate resources to manage the risk and to ensure that actions required to treat it are completed.

Corporate risks are owned by the relevant Director. Directorate risks are usually owned by the relevant Head of Service or Senior Manager.

Step 5: Record and report

Risks need to be recorded and reported and this activity occurs through the Corporate, Directorate, Service, project and other risk registers across the council.

A risk register is a working document that records the key details of the risks, such as title/description, risk owner, risk rating, the main controls in place to manage the risk, a summary of the actions and their progress, and comments providing further information and updates on the management of the risk.

There are three key levels of risk register in the council's risk reporting framework:

Corporate Risk Register: Corporate risks are those of significant, strategic and cross-cutting importance that require the attention of the council's most senior managers and elected members. Each of the corporate risks has named risk owners: a lead Cabinet Member and a Director who are jointly accountable for their management.

Directorate Risk Registers: Directorate risks are those that require the attention of the respective Directorate Leadership Team (the Director and Heads of Service/Senior Managers). Directorate risks may be local versions of those on the corporate risk register e.g. directorate budget or information management and governance, articulating in more specific terms how the directorate manages the risk as it relates to their services. Other risks may reflect issues specific to that

directorate. Should a directorate risk increase in significance, to the extent that it may have a corporate impact, the risk may need to be escalated to the Corporate Risk Register.

Service Risk Registers: Service level risks, including those for programmes and projects, are those of a more operational nature. Risks at this level are reported to the respective Service Management Teams or Programme/Project Boards. Should a service level risk increase in significance, it may need to be escalated onto the directorate or even the corporate risk register.

Risk reporting should:

- provide relevant, sufficient and accessible risk information in a timely manner that facilitates decision making and action;
- ensure that the views of the board, committee or leadership/management team receiving the risk report are passed to the relevant risk owners and key contacts; and
- focus on the most significant risks, ensuring adequate responses are put in place; and
- facilitate the raising and discussion of new and emerging risks and encourage the escalation of risks to a higher level risk register where necessary.

The Risk & Insurance Manager is responsible for ensuring consistency in approach across the three levels of risk register.

Step 6: Monitor and update

Few risks and risk registers remain static, they evolve over time as risk characteristics, priorities and responsibilities change, and actions get completed. Monitoring and updating risk registers and records is an essential part of the risk management framework and this includes the following key elements:

- monitoring the changes in the risk characteristics and values;
- monitoring the effectiveness of our response to the risk by considering the adequacy of controls and how the risk actions are progressing and changing; and
- monitoring the risk profile; the regular review of the risks facing the council via the reporting of risk registers to the relevant boards, committees and leadership teams.

Any changes identified during the monitoring meetings should be reflected in the risk/risk register.

Identifying when a risk should be escalated is an important part of the monitoring process. There may be instances where further action to mitigate a risk cannot be taken by its current owner meaning it needs to be escalated e.g. from the Directorate to Corporate Risk Register or from the Service to Directorate Risk Register. This activity will be supported by the council's Risk & Insurance Manager.

Risk Governance Assurance

- 5.1 Risk management is a key part of the council's governance arrangements and the Risk Management Strategy supports compliance with statutory requirements of the Accounts & Audit Regulations 2015. These regulations require the council to undertake a review of the effectiveness of its internal controls systems and governance arrangements, including risk management, and this is reported in the Annual Governance Statement.
- 5.2 This statement explains how the council has discharged its governance responsibilities during the financial year, the key governance mechanisms in place and planned future improvements to strengthen arrangements and controls.
- 5.3 Risk governance across the council is demonstrated by the following arrangements:
 - roles and responsibilities for risk management have been identified, documented, and communicated;
 - risk is integrated with decision making. All decision reports must include an outline of the key risks along with information on how they are to be managed; and
 - risk is embedded at Service, Directorate and Corporate levels across the council and risks management arrangements are widely reported.

Appendix A – Risk Appetite Statement 2025/26

Risk Appetite Statement 2025/26

- 6.1 The Risk Appetite Statement forms part of the risk management framework and defines the level of risk the council is willing to accept to deliver the priorities of the Herefordshire Council Plan 2024-28 and annual Delivery Plan.
- 6.2 Identifying the level of risk appetite for each of the council's key risk categories ensures a balanced and proportionate approach to the management of risks which is aligned to the delivery of strategic objectives. This approach recognises that there will be a range of appetites for different risks and that these appetites may change as the priorities and operating conditions of the council evolve.
- 6.3 The Statements sets out clear boundaries for risk-taking and serves as a guide for decision-making and management of risk at all levels. A clear risk management framework encourages and supports innovation and collaboration, ensuring that opportunities are explored within a specified risk appetite.
- 6.4 Risks will be monitored and managed against the risk appetite levels determined for each category and where decisions or planned activities expose the council to risks above the accepted risk appetite, the impact will be assessed and escalated as part of the risk management and governance framework.

Risk Appetite Levels

- 6.5 The levels of risk appetite which guide the council's risk management activity are outlined below:

	Risk appetite	Description
Tolerate less risk---->	Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry no/low degree of inherent risk.
	Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<----Tolerate more risk	Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
	Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

- 5.6 The level of risk appetite determined for each category of risk is set out in the Risk Appetite Matrix at Appendix B.

Appendix B – Risk Appetite Matrix

	Denotes the council's risk appetite for each Risk category
	Denotes the council's risk appetite for the identified Exception

Risk category	Risk appetite level definition			
	Averse	Cautious	Open	Eager
Strategic Delivery (Council Plan Priority: PEOPLE)	Innovation largely avoided unless essential. Decision making authority held by senior management.	The council has a limited tolerance to risk. Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management.	The council is ambitious in its aim to support children and young people to thrive within highly effective schools and flourishing communities. It seeks out opportunities to collaborate with partners to support residents to live healthy lives within connected and safe communities and is prepared to accept a level of risk to deliver against this priority.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
Exception 1: Safety and wellbeing of residents	Limited appetite to risk. The council is responsible for providing care to those who need it most, including vulnerable adults and children and operates rigorous safeguarding measure to ensure the health and safety of residents. The council will continually seek to avoid activities that present a threat to the safety of the public and will do everything possible to prevent the loss of life.			
Strategic Delivery (Council Plan Priority: PLACE)	Innovation largely avoided unless essential. Decision making authority held by senior management.	The council has a limited tolerance to risk. Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management.	The council is innovative and pioneering in its commitment to managing the effects of climate change across the county. It has ambitious plans to deliver learning and culture projects and to expand infrastructure, to support economic growth and	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.

Risk category	Risk appetite level definition			
	Averse	Cautious	Open	Eager
			housing, and is prepared to accept a level of risk to deliver against this priority.	
Strategic Delivery (Council Plan Priority: GROWTH)	Innovation largely avoided unless essential. Decision making authority held by senior management.	The council has a limited tolerance to risk. Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management.	The council is aspirational and seeks out opportunities to attract investment, drive business growth and development of talent across the county and is prepared to accept a level of risk to deliver against this priority.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Strategic Delivery (Council Plan Priority: TRANSFORMATION)	Innovation largely avoided unless essential. Decision making authority held by senior management.	The council has a limited tolerance to risk. Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management.	The council is committed to improving the use of technology across its services and will embrace new technologies, test ideas and develop a culture of innovation to improve services and deliver value for money. Transformation and Digital Strategies in place to support deliver of aims.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Legal & Compliance	Play safe and avoid anything which could be challenged, even unsuccessfully.	The council has a cautious appetite level towards legal and compliance risks with robust processes in place to ensure the risk of legal challenge is minimised.	Legal challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing legal challenge are high but exceptional benefits could be realised.
Financial	Avoidance of any financial impact or loss, is a key objective.	Seek prudent financial options and solutions with little or no residual financial loss. Maintain strong financial governance and systems to protect financial position.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Implemented controls enable fraud prevention, detection and deterrence by maintaining	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.

Risk category	Risk appetite level definition			
	Averse	Cautious	Open	Eager
	focused on detection and prevention.	appropriate controls and sanctions.		
Data & Technology	Lock down data & information. Access tightly controlled, high levels of monitoring.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing.	Level of controls minimised with data and information openly shared.
Security	Low tolerance for security risks causing loss or damage to property, assets, information or people. Risks minimised through stringent security measures,	Limited security risks accepted to support business need, with appropriate checks and balances in place.	Considered security risk accepted to support business need, with appropriate checks and balances in place.	Willing to accept security risk to support business need, with appropriate checks and balances in place.
Reputational	Zero appetite for any decisions with high chance of repercussion for the council's reputation.	Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the council.	Appetite to take decisions with potential to expose the council to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Appetite to take decisions which are likely to bring additional organisational scrutiny only where potential benefits outweigh risks.